

**Housing Authority of the City
of New Iberia
New Iberia, Louisiana**

**Annual Financial Report
As of and for the Year Ended March 31, 2001**

**Housing Authority of the City of New Iberia
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of New Iberia, Louisiana, as of and for the year ended March 31, 2001, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of March 31, 2001, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated July 26, 2001, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information listed in the table of content is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Housing Authority. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

July 26, 2001

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Balance Sheet
March 31, 2001

Statement A

ASSETS

Current Assets

Cash and cash equivalents	\$ 202,344
Investments	280,082
Accounts receivable (net of allowance for doubtful accounts of \$6,429)	27,042
Interest receivable	3,044
Interfund receivable	30,664
Prepaid items and other assets	67,302
Inventory	<u>919</u>

Total Current Assets	<u>611,397</u>
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Restricted Assets

Tenant deposits	23,252
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Fixed Assets

Land, buildings, and equipment (net)	<u>1,317,986</u>
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TOTAL ASSETS	<u>\$ 1,952,635</u>
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(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Balance Sheet
March 31, 2001

Statement A

LIABILITIES AND FUND EQUITY

Current Liabilities

Accounts payable	\$ 38,871
Interfund payable	30,664
Deferred revenue	<u>3,750</u>

Total Current Liabilities 73,285

Current Liabilities Payable From Current Restricted Assets

Deposits due others	19,275
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Noncurrent Liabilities

Compensated absences payable	<u>18,453</u>
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Total Liabilities 111,013

Fund Equity

Contributed Capital	1,247,497
Retained earnings:	
Unreserved	<u>594,125</u>

Total Fund Equity 1,841,622

TOTAL LIABILITIES AND FUND EQUITY \$ 1,952,635

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended March 31, 2001

Statement B

OPERATING REVENUES

Dwelling rental	\$ 340,854
Other	<u>24,633</u>
Total revenues	<u>365,487</u>

OPERATING EXPENSES

Administration	343,141
Tenant services	5,306
Utilities	274,634
Ordinary maintenance & operations	209,927
Protective services	85,069
General expenses	149,067
Nonroutine maintenance	105,697
Depreciation	<u>217,131</u>
Total operating expenses	<u>1,389,972</u>

Income (loss) from Operations	<u>(1,024,485)</u>
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Nonoperating revenues (expenses)

Interest earnings	16,527
Federal grants	<u>900,478</u>

Total nonoperating revenues (expenses)	<u>917,005</u>
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NET INCOME (Loss)	(107,480)
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Depreciation on fixed assets acquired by contributions	217,131
Gain or loss on disposition of fixed assets	<u>0</u>

Increase (decrease) in retained earnings	<u>\$ 109,651</u>
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(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended March 31, 2001

Statement B

RETAINED EARNINGS AT BEGINNING OF YEAR	\$ 484,474
RETAINED EARNINGS AT END OF YEAR	<u>594,125</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR, AS ORIGINALLY STATED	1,693,226
Prior period adjustment	<u>(228,598)</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR, AS RESTATED	1,464,628
Depreciation transferred from retained earnings	(217,131)
Gain or loss on disposition of fixed assets transferred from retained earnings	<u>0</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>1,247,497</u>
FUND EQUITY, END OF YEAR	<u>\$ 1,841,622</u>
	(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended March 31, 2001

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (1,024,485)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation	217,131
Changes in operating current assets and liabilities:	
(Increase) Decrease in accounts receivables	(951)
(Increase) Decrease in interest receivables	(228)
(Increase) Decrease in prepaid items and and other assets	(2,684)
(Increase) Decrease in inventory	(664)
Increase (Decrease) in accounts payables	16,183
Increase (Decrease) in deposits due others	(615)
Increase (Decrease) in deferred revenue	<u>(3,811)</u>

NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES

(800,124)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal grants	<u>900,478</u>
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NET CASH PROVIDED (USED) BY NONCAPITAL
FINANCING ACTIVITIES

900,478

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES

Purchase fixed assets	(77,287)
Increase in compensated absences	<u>2,554</u>

NET CASH PROVIDED (USED) BY CAPITAL
AND RELATED FINANCING ACTIVITIES

\$ (74,733)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA

ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended March 31, 2001

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:

(Increase) Decrease in investments	\$ (10,975)
(Increase) Decrease in restricted assets	(3,085)
Interest earnings	<u>16,527</u>

NET CASH PROVIDED (USED) BY INVESTING
ACTIVITIES

2,467

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

28,088

CASH AND CASH EQUIVALENTS AT BEGINNING
OF YEAR

174,256

CASH AND CASH EQUIVALENTS AT END
OF YEAR

\$ 202,344

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

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Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the Housing Authority of the City of New Iberia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. BASIS OF PRESENTATION Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the city of New Iberia, serve a staggered term of four years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 200 units in management at projects LA 27-1/2/3.

<u>Program</u>	<u>Contract Number</u>	<u>Number of Units</u>
PHA owned housing	FW 1264	200

B. REPORTING ENTITY GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the city of New Iberia since the city of New Iberia appoints a voting majority of the Housing Authority's governing board. The city of New Iberia is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the city of New Iberia. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the city of New Iberia.

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the housing authorities, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

C. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

D. BUDGETS

General Budget Policies The following summarizes the budget activities of the Housing Authority during the year ended March 31, 2001:

The Housing Authority adopted budgets for all HUD-funded programs. The budget is controlled by fund at the function level. All appropriations lapse at year end. Budgets are prepared on the modified accrual basis of accounting.

The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.

E. ENCUMBRANCES Encumbrances are not recognized within the accounting records for budgetary control purposes.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

F. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of market or cost.

G. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the purchase method. At year end the amount of inventory is recorded for external financial reporting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

J. FIXED ASSETS Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

L. FUNDEQUITY Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

M. DEFERRED REVENUES The Housing Authority reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

N. USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS At March 31, 2001, the Housing Authority has cash, cash equivalents, and investments totaling \$505,678 as follows:

Cash on hand	\$ 350
Demand deposits	4,906
Interest-bearing demand deposits	220,340
Time deposits	<u>280,082</u>
Total	<u>\$505,678</u>

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

Cash and cash equivalents	\$202,344
Cash and cash equivalents - restricted	23,252
Investments	<u>280,082</u>
Total	<u>\$505,678</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At March 31, 2001, the Housing Authority's carrying amount of deposits was \$505,329 and the bank balance was \$581,059. Of the bank balance, \$227,894 was covered by federal depository insurance (GASB Category 1). The remaining \$353,165 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

Investments during the year were solely in time deposits at banks.

NOTE 3 - RECEIVABLES The receivables at March 31, 2001, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Residents	\$ 723
Other	3,216
Federal sources:	
Grants	<u>23,103</u>
Total	<u>\$27,042</u>

NOTE 4 - FIXED ASSETS The changes in fixed assets are as follows:

	Balance April 1, 2000	Additions	Deletions	Balance March 31, 2001
Land and buildings	\$7,175,860	\$ -	\$ -	\$7,175,860
Furniture and equipment	306,752	81,101	21,566	366,287
Construction in progress	-	-	-	-
Total	<u>7,482,612</u>	<u>81,101</u>	<u>21,566</u>	<u>7,542,147</u>
Less: accumulated depreciation				
Buildings	5,765,079	188,085	-	5,953,164
Furniture and equipment	263,291	29,046	21,340	270,997
Total	<u>6,028,370</u>	<u>217,131</u>	<u>21,340</u>	<u>6,224,161</u>
Fixed assets, net	<u>\$1,454,242</u>	<u>\$ (136,030)</u>	<u>\$ 226</u>	<u>\$1,317,986</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan from the first anniversary date of the employment.

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 5.5 percent of his effective compensation. The employer is required to make monthly contributions equal to 7.5 percent of each participant's effective compensation.

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended March 31, 2001, was \$149,507. The Housing Authority's contributions were calculated using the base salary amount of \$130,855. The Housing Authority made the required contributions of \$16,516 for the year ended March 31, 2001, of which \$10,043 was paid by the Housing Authority and \$6,473 was paid by employees. No payments were made out of the forfeiture account.

NOTE 6 - ACCOUNTS PAYABLES The payables at March 31, 2001, are as follows:

Contingency	\$10,000
Accounts payable	12,120
PILOT	<u>16,751</u>
Total	<u>\$38,871</u>

NOTE 7 - COMPENSATED ABSENCES At March 31, 2001, employees of the Housing Authority have accumulated and vested \$18,453 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made.

NOTE 8 - LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended March 31, 2001:

	<u>Compensated Absences</u>
Balance, April 1, 2000	\$15,899
Additions	2,554
Deductions	<u>-</u>
Balance, March 31, 2001	<u>\$18,453</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES Four claims have been filed against the Housing Authority by former employees. These claims have been submitted to the insurance company. The ultimate outcome cannot presently be determined. A liability of \$10,000 has been accrued in the financial statements. The liability represents a \$2,500 deductible for each case filed. The resolution of these lawsuits could result in additional liability for the Housing Authority. No accrual has been made for any additional liability.

The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133 through March 31, 2001, these programs are still subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 10 - PRIOR PERIOD ADJUSTMENT The prior period adjustment resulted from a mathematical error in the calculation of depreciation for the March 31, 2000 year end.

NOTE 11 - SEGMENT INFORMATION The Housing Authority maintains five enterprise funds. Key financial information as of and for the year ended March 31, 2001 for these funds are as follows:

Housing Authority of the City of New Iberia
Notes to the Basic Financial Statements
March 31, 2001

	<u>Low Rent Public Housing</u>	<u>Public Housing Comprehensive Improvement</u>	<u>Substance Abuse</u>	<u>Drug Elimination</u>	<u>Family Investment Corporation</u>
Operating revenues	\$ 365,487	\$ -	\$ -	\$ -	\$ -
Operating expenses excluding depreciation	883,245	-	79,250	44,920	165,426
Depreciation	212,038	748	-	233	4,112
Operating income	(729,796)	(748)	(79,250)	(45,153)	(169,538)
Non-operating revenues (expenses)	373,516	242,400	79,250	45,620	176,219
Net income (loss)	(125,095)	10,467	-	467	2,870
Fixed asset additions	62,204	11,215	-	700	6,982
Net working capital (liability)	519,568	-	-	-	18,544
Total assets	1,903,404	10,467	12,120	467	26,177
Total equity	1,819,244	10,467	-	467	11,444

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2001**

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_Cmpr ehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	PIH - Family Investment Corporation	Block Grants for Prevention and Treatment of Substance Abuse	Total
111	Cash - Unrestricted	202,344	0	0	0	0	202,344
114	Cash - Tenant Security Deposits	23,252	0	0	0	0	23,252
100	Total Cash	225,596	0	0	0	0	225,596
122	Accounts Receivable - HUD Other Projects	0	0	0	14,733	0	14,733
124	Accounts Receivable - Other Government	3,216	0	0	0	8,370	11,586
126	Accounts Receivable - Tenants - Dwelling Rents	7,152	0	0	0	0	7,152
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(6,429)	0	0	0	0	(6,429)
126.2	Allowance for Doubtful Accounts - Other	0	0	0	0	0	0
129	Accrued Interest Receivable	3,044	0	0	0	0	3,044
120	Total Receivables, net of allowances for doubtful accounts	6,983	0	0	14,733	8,370	30,086
131	Investments - Unrestricted	280,082	0	0	0	0	280,082
142	Prepaid Expenses and Other Assets	67,302	0	0	0	0	67,302
143	Inventories	919	0	0	0	0	919
143.1	Allowance for Obsolete Inventories	0	0	0	0	0	0
144	Interprogram Due From	23,103	0	0	3,811	3,750	30,664
150	Total Current Assets	603,985	0	0	18,544	12,120	634,649
161	Land	222,593	0	0	0	0	222,593
162	Buildings	5,653,830	11,215	0	0	0	5,665,045
163	Furniture, Equipment & Machinery - Dwellings	92,086	0	0	0	0	92,086
164	Furniture, Equipment & Machinery - Administration	124,146	0	700	100,073	0	224,919
165	Leasehold Improvements	1,337,504	0	0	0	0	1,337,504
166	Accumulated Depreciation	(6,130,740)	(748)	(233)	(92,440)	0	(6,224,161)
160	Total Fixed Assets, Net of Accumulated Depreciation	1,299,419	10,467	467	7,633	0	1,317,986
180	Total Non-Current Assets	1,299,419	10,467	467	7,633	0	1,317,986
190	Total Assets	1,903,404	10,467	467	26,177	12,120	1,952,635

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2001**

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_Compr ehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	PIH - Family Investment Corporation	Block Grants for Prevention and Treatment of Substance Abuse	Total
312	Accounts Payable <= 90 Days	22,120	0	0	0	0	22,120
322	Accrued Compensated Absences	6,291	0	0	0	0	6,291
333	Accounts Payable - Other Government	16,751	0	0	0	0	16,751
341	Tenant Security Deposits	19,275	0	0	0	0	19,275
342	Deferred Revenues	0	0	0	0	3,750	3,750
347	Interprogram Due To	7,561	0	0	14,733	8,370	30,664
310	Total Current Liabilities	71,998	0	0	14,733	12,120	98,851
353	Noncurrent Liabilities - Other	12,162	0	0	0	0	12,162
350	Total Noncurrent Liabilities	12,162	0	0	0	0	12,162
300	Total Liabilities	84,160	0	0	14,733	12,120	111,013
504	Net HUD PHA Contributions	1,246,846	0	0	651	0	1,247,497
508	Total Contributed Capital	1,246,846	0	0	651	0	1,247,497
511	Total Reserved Fund Balance	0	0	0	0	0	0
512	Undesignated Fund Balance/Retained Earnings	572,398	10,467	467	10,793	0	594,125
513	Total Equity	1,819,244	10,467	467	11,444	0	1,841,622
600	Total Liabilities and Equity	1,903,404	10,467	467	26,177	12,120	1,952,635

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2001**

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Compr ehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	PIH - Family Investment Corporation	Block Grants for Prevention and Treatment of Substance Abuse	Total
703	Net Tenant Rental Revenue	235,338	0	0	0	0	235,338
704	Tenant Revenue - Other	105,516	0	0	0	0	105,516
705	Total Tenant Revenue	340,854	0	0	0	0	340,854
706	HUD PHA Grants	356,989	242,400	45,620	176,219	0	821,228
708	Other Government Grants	0	0	0	0	79,250	79,250
711	Investment Income - Unrestricted	16,527	0	0	0	0	16,527
715	Other Revenue	24,633	0	0	0	0	24,633
700	Total Revenue	739,003	242,400	45,620	176,219	79,250	1,282,492
911	Administrative Salaries	78,192	0	0	0	0	78,192
912	Auditing Fees	12,780	0	0	0	0	12,780
914	Compensated Absences	2,555	0	0	0	0	2,555
915	Employee Benefit Contributions - Administrative	20,790	0	0	0	0	20,790
916	Other Operating - Administrative	45,088	0	44,920	157,405	47,122	294,535
924	Tenant Services - Other	5,306	0	0	0	0	5,306
931	Water	63,138	0	0	0	0	63,138
932	Electricity	116,256	0	0	0	0	116,256
933	Gas	47,729	0	0	0	0	47,729
935	Labor	840	0	0	0	0	840
938	Other Utilities Expense	46,671	0	0	0	0	46,671
941	Ordinary Maintenance and Operations - Labor	92,955	0	0	0	0	92,955
942	Ordinary Maintenance and Operations - Materials and Other	38,170	0	0	0	0	38,170
943	Ordinary Maintenance and Operations - Contract Costs	78,802	0	0	0	0	78,802
945	Employee Benefit Contributions - Ordinary Maintenance	24,405	0	0	0	0	24,405
952	Protective Services - Other Contract Costs	0	0	0	8,021	32,128	40,149
961	Insurance Premiums	92,139	0	0	0	0	92,139
963	Payments in Lieu of Taxes	6,622	0	0	0	0	6,622
964	Bad Debt - Tenant Rents	5,111	0	0	0	0	5,111
969	Total Operating Expenses	777,549	0	44,920	165,426	79,250	1,067,145

**HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
FINANCIAL DATA SCHEDULE
FOR THE YEAR ENDED MARCH 31, 2001**

Line Item No.	Account Description	Low Rent Public Housing	Public Housing_Compr ehensive Improvement Assistance Program	Public and Indian Housing Drug Elimination Program	PIH - Family Investment Corporation	Block Grants for Prevention and Treatment of Substance Abuse	Total
970	Excess Operating Revenue over Operating Expenses	(38,546)	242,400	700	10,793	0	215,347
971	Extraordinary Maintenance	104,922	0	0	0	0	104,922
972	Casualty Losses - Non-Capitalized	775	0	0	0	0	775
974	Depreciation Expense	212,038	748	233	4,112	0	217,131
900	Total Expenses	1,095,284	748	45,153	169,538	79,250	1,389,973
1001	Operating Transfers In	231,185	0	0	0	0	231,185
1002	Operating Transfers Out	0	(231,185)	0	0	0	(231,185)
1010	Total Other Financing Sources (Uses)	231,185	(231,185)	0	0	0	0
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(125,096)	10,467	467	6,681	0	(107,481)
1101	Capital Outlays Enterprise Fund	0	0	0	0	0	0
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0	0
1103	Beginning Equity	2,154,647	0	0	23,054	0	2,177,701
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	(210,307)	0	0	(18,291)	0	(228,598)
1112	Depreciation Add Back	212,038	748	233	4,112	0	217,131
1120	Unit Months Available	2,400	0	0	0	0	2,400
1121	Number of Unit Months Leased	2,293	0	0	0	0	2,293

(CONCLUDED)

HOUSING AUTHORITY OF THE CITY OF NEW IBERIA
MODERNIZATION COSTS
COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM
March 31, 2001

1. The actual Comprehensive Improvement Assistance Program costs is as follows:

	PROJECT <u>LA 48P02790799</u>
Funds Approved	\$ 382,483
Funds Expended	<u>382,483</u>
Excess of Funds Approved	<u>0</u>
 Funds Advanced	 382,483
Funds Expended	<u>382,483</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Improvement Assistance Program expenditures dated July 28, 2000 accompanying the actual modernization certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Improvement Assistance Programs costs have been paid and all related liabilities have been discharged through payment.

Housing Authority of the City of New Iberia

GENERAL

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation.

Mr. Thomas L. Jolivet, Chairperson

Mr. Raymond Elias

Ms. Gayle Antoine

Ms. Terrilyn Lively

Mr. Michael Joseph



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Ernest L. Allen, CPA (Retired)
1963 - 2000

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

We have audited the basic financial statements of the Housing Authority of the City of New Iberia, as of and for the year ended March 31, 2001, and have issued our report thereon dated July 26, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
July 26, 2001



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Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board of Commissioners
Housing Authority of the City of New Iberia
New Iberia, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of New Iberia, New Iberia, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2001. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2001. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular No. A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as item 00-F1.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the Housing Authority, as of and for the year ended March 31, 2001, and have issued our report thereon dated July 26, 2001. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

July 26, 2001

**Housing Authority of the City of New Iberia
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2001**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-through Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing			
Operating Subsidy	14.850	FW 1264	\$356,989
Drug Elimination Program	14.854	FW 1264	45,620
Comprehensive Improvement Assistance Programs	14.852	FW 1264	242,400
Family Investment Centers Program	14.861	FW 1264	<u>176,219</u>
Total United States Department of Housing and Urban Development			<u>821,228</u>
United States Department of Health and Human Services			
Passed through the State of Louisiana Department of Health and Hospitals			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	60950	<u>79,250</u>
Total United States Department of Health and Human Services			<u>79,250</u>
Total Expenditures of Federal Awards			<u>\$900,478</u>

Housing Authority of the City of New Iberia
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2001

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of New Iberia, New Iberia, Louisiana (the "Housing Authority"). The Housing Authority reporting entity is defined in note 1(A) to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in note 1(C) to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

	<u>Federal Sources</u>
Enterprise funds:	
Public Housing	\$356,989
Drug elimination	45,620
Family investment centers	176,219
Alcohol and substance abuse	79,250
Comprehensive improvement assistance programs	<u>242,400</u>
Total	<u>\$900,478</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MAJOR FEDERAL AWARDS PROGRAMS The dollar threshold of \$300,000 was used to distinguish between Type A and Type B federal programs. For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, "federal awards" do not include Housing Authority operating income from rents or investments (or other non-federal sources). In addition, debt service annual contribution payments made by HUD directly to fiscal agents for holders of Housing Authority bonds or for Housing Authority notes held by the federal financing bank (FFB), are not considered when determining if the Single Audit Act "federal awards expended" threshold is met by the Housing Authority in a fiscal year. In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
As of and for the Year Ended March 31, 2001**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed an audit finding which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal program are:
 - CFDA# 14.850 Public and Indian Housing - Low Rent Program
 - CFDA# 14.861 Family Investment Centers Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Housing Authority of the City of New Iberia
Schedule of Findings and Questioned Costs
As of and for the Year Ended March 31, 2001**

PART III - Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510(a):

Reference # and title: **01-F1** **Resident Files**

Federal program and specific Federal award identification:

CFDA Title: Public and Indian Housing and CFDA #14.850
Federal Award # FW 1264 and Federal Award Year 2001
Federal Agency: Department of Housing and Urban Development

Entity-wide or program/department specific: This comment applies to the Low-Rent Housing Program.

Criteria or specific requirement: 24 CFR Sections 5.212, 5.230, and 5.601 through 5.617 as well as HUD guidance concerning the form 50058 contain the requirements for information maintained in resident files. These requirements dictate that a copy of HUD form 50058 is to be maintained for each resident. Social Security numbers, dates of birth and expected income on the HUD form 50058 should agree to support in resident's file. Residents' income, including medical expenses and status of full-time students, should be verified by a third party. The rent calculation should utilize income verifications on file. The Housing Authority should obtain HUD form 9886 for all residents over 18 years old. An annual inspection of each unit should be kept on file with documentation of repairs made.

Condition found: The following exceptions were noted in a haphazard selection of fifteen resident files tested:

One had income that did not agree to support.
Three had no current HUD form 9886.
One had no verification of date of birth for one resident.
One had no social security number verification for one resident.
Two rent calculations did not agree to the rent roll.

Identification of questioned costs and how they were computed: Questioned costs can only be determined when the actual resident payment is known along with the amount the resident payment should have been. These factors are not known in the above exceptions; therefore, no questioned costs were calculated.

Proper perspective for judging the prevalence and consequences: The Housing Authority operates two hundred units. Fifteen resident files were selected for testing.

Possible asserted effect (cause and effect):

Cause: The Housing Authority had a complete turnover in office staff a year ago. The present staff is trying to bring the resident files up to date.

Effect: Information which is missing or incorrect in a resident file may cause the Housing Authority to supply a unit to an ineligible family or charge lower rent than should be charged.

Recommendations to prevent future occurrences: The Housing Authority should require all information be made available before an applicant is approved to move in. In addition, personnel responsible for the completion of resident files should ensure that all information is contained in the file.

**Housing Authority of the City of New Iberia
Summary Schedule of Prior Audit Findings
March 31, 2001**

Reference # and title: **00-F1** **Resident Files**

Initially occurred: Fiscal year ended March 31, 1999.

Condition: The following exceptions were noted in a haphazard selecting of fifteen resident files tested:

Eight had not been recertified for the current year.
Two had no verification of date of birth for one or more residents.
One had no social security number verification for one resident.

Partial corrective action taken: Recertifications have been updated. Procedures are being developed to ensure that all required information is obtained and placed in files.

Reference # and title: **00-F2** **Management Assessment Subsystem (MASS)**

Initially occurred: Fiscal year ended March 31, 2000.

Condition: The following items contained discrepancies which were not adequately explained:

- a. Indicator #1, Component #1, Line V12400 — The number of turnaround days were overstated by 26 on the management assessment.
- b. Indicator #3, Component #2, Line W10600 — The Housing Authority understated the number of calendar days to complete non-emergency work orders. Of the ten work orders selected for testing the Housing Authority reported each one as completed within one day and two actually were completed in more than twenty-four hours.
- c. Indicator #5, Component #2, Line S10800 — The Housing Authority sent only eight rejection letters. Ten were reported on the management assessment.

Corrective action taken: The Housing Authority reviewed and adhered to the guidelines for calculating unit turn around time and work order days. Documentation for applicants denied who met the one-strike criteria was maintained.

**Housing Authority of the City of New Iberia
Corrective Action Plan for Current-Year Findings and Questioned Costs
As of and for the Year Ended March 31, 2001**

Finding reference # and title: **01-F1**

Resident Files

Condition: The following exceptions were noted in a haphazard selection of fifteen resident files tested:

One had income that did not agree to support.
Three had no current HUD form 9886.
One had no verification of date of birth for one resident.
One had no social security number verification for one resident.
Two rent calculations did not agree to the rent roll.

Corrective action planned: Housing Authority staff will continue their effort to review and document the resident files.

Person responsible for corrective action:

Mr. Elton J. Broussard, Jr., Executive Director
Housing Authority of the City of New Iberia
325 North Street
New Iberia, LA 70560

Telephone: (318) 364-5515
Fax: (318) 364-6937

Anticipated completion date: March 31, 2002.